

## **GETTING ON THE PROPERTY LADDER**

For many of us, buying a property is the largest single financial transaction we will ever undertake. Carefully considered, it should also make a wonderful investment that will provide security for the future.

It is never too soon to get on to the property ladder – indeed the sooner you take the plunge, the better. Starting to pay off a mortgage even on a tiny property which you will never live in yourself will get you on to the first rung and help to build a deposit for the purchase of a future home. Even if it is likely that your education or career will take you off to distant shores for a few years, it will be so much easier upon your return if you already own a property either to live in as a stop-gap solution or to sell and use as a deposit for the next rung on the ladder. The older you leave it to get on the property ladder, the greater the likelihood of reaching retirement and having to live on a reduced income, making mortgage repayments more of a financial strain.

Whatever your budget and whether you are looking to buy a home to live in or simply a stepping stone on the property ladder, asking yourselves the right questions before you start your search and seeking advice from a professional buying agent can greatly reduce your financial risk and ensure that the property you decide to buy is suited to its purpose.

### **What is a Buying Agent?**

Unlike estate agents, whose job is to sell a property for the best price for the vendor, buying agents represent the best interests of the buyer. We work quietly behind the scenes to help buyers identify their preferred location, put together a shortlist of properties and narrow the risk when it comes to making the final choice. Whilst the average person may buy two or three properties in their lifetime, we have bought thousands – imagine having that sort of experience on your side!

Because we are specialists and purchase property on a daily basis, we have unprecedented insight into the local market in your chosen location. Whatever the size of your budget, we guarantee that we will:

1. Help to secure your property at the lowest price on the most favourable terms;
2. Ensure you purchase a property that has the potential to appreciate in value in accordance with the capital growth expectations of your chosen location;
3. Give you the 'peace of mind' that an independent professional is representing your best interests at all times.

In addition to all the property-related assistance that buying agents offer, their help can be invaluable when moving to a new area as they can help you to find out what the locals know. You can change everything about a property apart from the location so getting this right is crucial and can affect the value of a property significantly. A buying agent knows their area and can offer unbiased advice on the best places to live. In addition they can offer guidance on schools, local amenities and public transport. They will have a little black book filled with the numbers of reputable local builders, painters, gardeners and other tradesmen, and they might even give you a few pointers about the best way to go about integrating into the local community. One client recently described their buying agent as her "first friend" in her new location – the person she could turn to for unbiased, independent advice about anything and everything to do with her new neighbourhood. They give clients the benefit of their years of experience to help them hit the ground running in their new location and make the most of living there from the start.

### **Setting the Ball Rolling**

Having taken the decision to start looking for a property to buy, how should you go about it and what do you need to take into consideration?

#### **Tip 1 – Establish the Criteria**

Decide where you would like to live and what features you would like to have in a future home. Try to remain flexible. It is rarely possible to get everything you want for the budget you have to spend. If you can tick eight out of ten items on your wish-list you will be doing well.

Most importantly – organise your finances. Make sure you know exactly how much money you have to spend and what additional fees and costs you will need to account for.

### **TIP 2 – Research**

Contact estate agents to register your search and start looking on the internet to find out what sort of property is available so you can start to get a feel for the prices. Make appointments to view properties. If you can attend viewings during the week it sends a positive message to estate agents who are likely to keep you towards the top of their pile of potential buyers. One of the benefits of using a buying agent if you are currently living a long way from the area where you are seeking to buy, is the preview service they offer – they will go and view the property on your behalf, photograph it and report back to you. This means that you only need to see the most suitable properties yourself and won't waste time viewing those which might look good on paper but in reality don't tick the right boxes.

### **TIP 3 – Due Diligence**

This is the most important stage of the process and the reason many buyers like to instruct a buying agent. Standing back with a cool head and assessing a property's value is crucial. Try to compare the asking price of the property with sold prices of similar nearby properties.

Weigh up the positives and negatives of a property against your ultimate purpose. If it's a stepping stone to the next rung in the ladder will it rise in value and be easy to sell on? If it's a longer term purchase or a 'forever home', does it have the potential to grow with your family or meet your changing needs as you get older?

### **TIP 4 – Negotiation**

Use the information you have gathered in the due diligence phase to decide your strategy for purchasing the property at your target price. Being able to present yourself in a positive light as a buyer will also help in this process. A chain-free buyer (who has nothing to sell or has already sold) with mortgage finance agreed is very appealing to sellers.

Make any offer 'subject to survey' and instruct an independent surveyor to inspect the property and provide you with a thorough report. Occasionally buyers use the results of this survey to negotiate the price further, should it reveal things that might be costly to repair.

### **TIP 5 - The Legal Phase**

Once you've found a property and agreed a price, it's time to get the conveyancing process underway and complete the deal. You will need to appoint a solicitor and prepare to sign a contract. A deposit will be required and it is also important to arrange for insurance cover as soon as contracts have been exchanged.

### **Other Tips**

- Extensive research is crucial. If you don't have time employ a buyer's agent.
- Have your finance ready- buyers who can move quickly are more likely to secure a bargain.
- Try to stay focused and be consistent. Buyers who have a defined search area rather than a scatter-gun approach usually have more success.
- Hold estate agents at arm's length. Never forget that they are being paid by, and acting for the seller.

- Remember location, location, location! Buy the worst house in the best street, not the best house in a bad area.
- Think about ongoing maintenance costs of any potential property. Don't end up with a money-pit!
- Beware of cheap renovations. Major problems have been hidden under a coat of paint.
- Always, always, always have the house surveyed before you buy it.
- Check with the local council for any proposed roads, rail lines or other issues that could negatively affect the value of your property.
- View the property several times. It's amazing how many buyers don't do this.
- Use an independent buying agent who will minimise your risk though serious due diligence.